

DEPARTMENT OF AGING

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May 11, 2010

Francie Newfield, Division Director
Multipurpose Senior Services Program -- #02
County of Santa Cruz, Human Resources Agency
Adult & Long Term Care Services
Human Services Department
1400 Emeline Avenue, 3rd Floor
Santa Cruz, CA 95010

Dear Ms. Newfield:

**FINAL NOTICE OF AUDIT DETERMINATION
MULTIPURPOSE SENIOR SERVICES PROGRAM #02
FOR THE PERIOD JULY 1, 2004, THROUGH JUNE 30, 2006**

Enclosed is the California Department of Aging's (CDA) Final Notice of Audit Determination (NAD) for the County of Santa Cruz, Human Resources Agency (Agency), Multipurpose Senior Services Program (MSSP), for the above period.

The Final NAD report contains CDA Audit Branch's conclusions regarding the Agency's financial closeout reports (reported program expenditures), accounting records, internal controls, and compliance with grant requirements for the MSSP.

If you disagree with the findings presented in this report, you may file an appeal by submitting a statement of disputed issues to the Department of Health Care Services (DHCS), Office of Administrative Hearings and Appeals, 1029 J Street, Suite 200, Sacramento, California, 95814, within 60 calendar days of receipt of this notice. Appeals are to be made in accordance with title 22, California Code of Regulations, §51016 through 51047. We have enclosed a copy of the regulations governing provider appeals for your information.

Sincerely,

Beverly D. Englund
Audit Branch Manager

Enclosures

cc: Lynn Daucher, Director CDA
Paula Butler, Section Chief, MSSP Branch, CDA

**CALIFORNIA DEPARTMENT OF AGING
NOTICE OF AUDIT DETERMINATION**

ORGANIZATION: COUNTY OF SANTA CRUZ, HUMAN RESOURCES AGENCY
ADULT & LONG TERM CARE SERVICES
HUMAN SERVICES DEPARTMENT

FOR THE PERIOD: JULY 1, 2004 THROUGH JUNE 30, 2006

CONTRACT/GRANT NOS.:	MS-0405-02	SITE: 02
	MS-0506-02	
		PROGRAM: MSSP

The California Department of Aging (CDA) Audit Branch has completed its review of the County of Santa Cruz, Human Resources Agency, Adult & Long Term Care Services, Human Services Department (Agency), Multipurpose Senior Services Program, for the contract periods noted above. The purpose of our review was to determine if the Agency:

- Developed annual Final Accounting Reconciliations (FARs) which fairly present the financial operations of the program;
- Maintained adequate internal and administrative controls and procedures to ensure that administrative and case management expenses reported to the Medi-Cal program were accurate and allowable; and
- Maintained adequate controls and procedures to ensure compliance with applicable laws, regulations and contract requirements.

REPORT ON THE FINAL ACCOUNTING RECONCILIATIONS

We reviewed the Agency's single audit reports issued by Bartig, Basler & Ray, LLP, and compared them to Agency's FARs submitted to CDA. We also compared the FARs to the Agency's accounting records.

We determined the Agency's MSSP financial closeout statements fairly present the financial operations of the program.

REPORT ON INTERNAL CONTROL

The CPA's reports, for the above fiscal periods, did not include any reportable conditions or material internal control weaknesses related to the MSSP.

We conducted additional tests to determine the amounts reimbursed for administrative and case management expenditures did not exceed actual allowable costs. Based on the single audit reports and the results of our review, we concluded the Agency's MSSP internal and administrative control structure is adequate to ensure the claims/billings to the Medi-Cal Program are accurate and allowable costs.

**CALIFORNIA DEPARTMENT OF AGING
NOTICE OF AUDIT DETERMINATION**

ORGANIZATION: COUNTY OF SANTA CRUZ, HUMAN RESOURCES AGENCY
ADULT & LONG TERM CARE SERVICES
HUMAN SERVICES DEPARTMENT

FOR THE PERIOD: JULY 1, 2004 THROUGH JUNE 30, 2006

REPORT ON COMPLIANCE WITH GRANT REQUIREMENTS

The CPA's reports, for the above fiscal periods, did not report any instances of non-compliance with laws, regulations, and contract requirements related to the MSSP.

This Final NAD represents our resolution of the Agency's contracts for the period of July 1, 2004, through June 30, 2006. The results of CDA's review, tests performed, and the procedures to resolve findings were discussed at an exit conference at your site on April 29, 2010. We are issuing this final NAD in accordance with the Agency's authorization to issue the NAD without first issuing a draft report. This authorization was granted as a result of the Agency's agreement with the conclusion of the NAD.

James Lee
General Auditor III

**MULTIPURPOSE SENIOR SERVICES PROGRAM
AUDITED FINAL ACCOUNTING RECONCILIATION**

FISCAL PERIOD: 2004/05

Site Name: ADULT & LONG TERM CARE DIVISION, HUMAN RESOURCES AGENCY, COUNTY OF SANTA CRUZ

Site # : 2

	Admin	Case Management (CM)	Waived Services (WS)	Start-up Funds (SU)	Total (Adm+CM+WS+SU)	
1) Final Approved Budget	295,877	299,985	181,589	-	777,451	(1)
2) Audited Actual Expenditures	354,203	299,718	183,113	-	837,034	(2)
3) Lower of Actual or Budget (*1)	295,877	299,718	181,589	-	777,184	(3)

Less Excluded Items:

4) Expenses Disallowed, per CDA Utilization Review (UR) or Notice of Audit Determination						(4)
5) Submitted Claims not paid (outstanding balance) (*2)	Cut-off Date:	<u>Per Audit</u>		28		(5)
6) Claims Denied by EDS for this Fiscal Year (*3)	Cut-off Date:	<u>Per Audit</u>		28		(6)
7) Interest Earned on MSSP Grant Funds						(7)
8) Subtotal of Excluded Items (add line 4 through line 7)				56		(8)

9) Allowable MSSP Expenditures, after Excluded Items (line 3 minus line 8) **777,128** (9)

10) Claims Accepted for Payment by EDS	(*4)	777,128	(10)
11) Start-up Grant Funds Received from CDA		-	(11)
12) Total Revenue Received (add line 10 + line 11)		777,128	(12)

Subtract line 9 from line 12

If the difference is positive, enter the amount on line 13

If the difference is negative, enter the amount on line 14

13) Revenue Received in Excess of Allowable MSSP Expenditures **-** (13)

14) Excess Expenditures Paid by MSSP Site, non-reimbursable **-** (14)

(*1) Expenditures are adjusted based on Audit Verification on General Ledger of Agency's Records

(*2) & (*3) We carry over from the original FAR to not reflect any changes.

(*4) "Claims Accepted" per EDS Reports, as of 12/29/06

Prepared By	Date	Approved By
James Lee General Auditor III	4/28/2010	
>	>	>

**MULTIPURPOSE SENIOR SERVICES PROGRAM
AUDITED FINAL ACCOUNTING RECONCILIATION**

FISCAL PERIOD: 2005/06

Site Name: ADULT & LONG TERM CARE DIVISION, HUMAN RESOURCES AGENCY, COUNTY OF SANTA CRUZ

Site # : 2

	Admin	Case Management (CM)	Waived Services (WS)	Start-up Funds (SU)	Total (Adm+CM+WS+SU)	
1) Final Approved Budget	288,353	294,735	194,363	-	777,451	(1)
2) Audited Actual Expenditures	349,797	320,315	203,853	-	873,965	(2)
3) Lower of Actual or Budget (*1)	288,353	294,735	194,363	-	777,451	(3)

Less Excluded Items:

4) Expenses Disallowed, per CDA Utilization Review (UR) or Notice of Audit Determination				-	(4)
5) Submitted Claims not paid (outstanding balance) (*2)	Cut-off Date:	<u>Per Audit</u>			(5)
6) Claims Denied by EDS for this Fiscal Year (*3)	Cut-off Date:	<u>Per Audit</u>		1,050	(6)
7) Interest Earned on MSSP Grant Funds					(7)
8) Subtotal of Excluded Items (add line 4 through line 7)				1,050	(8)

9) Allowable MSSP Expenditures, after Excluded Items (line 3 minus line 8) **776,401** (9)

10) Claims Accepted for Payment by EDS	(*4)	775,492	(10)
11) Start-up Grant Funds Received from CDA		-	(11)
12) Total Revenue Received (add line 10 + line 11)		775,492	(12)

Subtract line 9 from line 12

If the difference is positive, enter the amount on line 13

If the difference is negative, enter the amount on line 14

13) Revenue Received in Excess of Allowable MSSP Expenditures **-** (13)

14) Excess Expenditures Paid by MSSP Site, non-reimbursable **909** (14)

(*1) Expenditures are adjusted based on Audit Verification on General Ledger of Agency's Records

(*2) & (*3) We carry over from the original FAR to not reflect any changes.

(*4) "Claims Accepted" per EDS Reports, as of 12/28/07

Prepared By	Date	Approved By
James Lee General Auditor III	4/28/2010	
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